



Patrick W. Henning, Director
September 24, 2009
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Arnold Schwarzenegger
Governor

Mr. Raymond McDonald, Executive Director
Workforce Investment Board of Santa Barbara County
234 Camino del Remedio
Santa Barbara, CA 93110

Dear Mr. McDonald:

**WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09**

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Santa Barbara's (SBC) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Ms. Carol Hammond from July 27, 2009 through July 31, 2009. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, cost/resource sharing, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SBC with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2008-09.

BACKGROUND

SBC was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, SBC was allocated: \$913,078 to serve 61 adult participants; \$1,316,909 to serve 359 youth participants; and \$889,691 to serve 77 dislocated worker participants.

For the quarter ending June 30, 2009 the SBC reported the following expenditures and enrollments for its WIA programs: \$640,172 to serve 38 adult participants; \$375,951 to serve 267 youth participants; and \$729,677 to serve 52 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, SBC is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

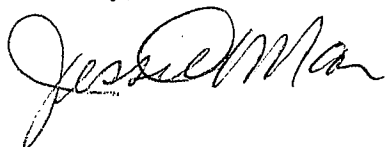
We conclude that, overall, SBC is meeting applicable WIA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SBC's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain SBC's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 654-1292.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Linda Patton – Finch, 50
Daniel Patterson, MIC 45
Jose Luis Marquez, MIC 50
Georganne Pintar, MIC 50